

# USDA NATURAL RESOURCES CONSERVATION SERVICE

## REQUEST FOR PROPOSALS FOR STATEWIDE MARKET ANALYSIS

**SUMMARY:** The Rhode Island office of the USDA Natural Resources Conservation Service (NRCS) is seeking the services of an independent real estate professional, such as an agent, broker or licensed general appraiser and registered in the state of Rhode Island, to complete a **Statewide Market Analysis** to determine land values for purchasing perpetual easement on wetlands and flood plains in Rhode Island.

**PROPOSAL DUE DATE AND ADDRESSES:** Proposals must be received in the NRCS Office in Warwick, RI, by 4:30 p.m., Eastern Time (ET), on **April 8, 2009**.

Proposals must be sent or delivered to the following address: USDA Natural Resources Conservation Service, ATTN: Market Analysis, 60 Quaker Lane, Suite 46, Warwick, RI 02886-0181 or

To submit electronically, please email your proposal to Jackie.Pashnik@ri.usda.gov.

For more information and a copy of the scope of work, please visit the Rhode Island NRCS website at [www.ri.nrcs.usda.gov](http://www.ri.nrcs.usda.gov) or call 401-828-1300 extension 8.

### STATEMENT OF WORK CONTENTS

1.	SCOPE.....	1
2.	QUALITY OF WORK AND EVALUATION FACTORS.....	1
3.	SELECTING COMPARABLE PROPERTIES.....	2
4.	ADJUSTING VALUE FOR PROPERTY DIFFERENCES.....	2
5.	CONDUCT A CURRENT ANALYSIS OF THE COMPETITIVE MARKET.....	2
6.	MARKET AREA .....	2
7.	PRESENTATION OF ANALYSIS.....	3
8.	DELIVERABLES .....	4
9.	CONFLICT OF INTEREST.....	4
10.	NON-DISCLOSURE.....	4
11.	CIVIL RIGHTS AND PROGRAM DELIVERY .....	4
12.	PERIOD OF PERFORMANCE.....	4
13.	FOR ADDITIONAL INFORMATION:.....	5
	APPENDIX A - GENERATING A SOIL MAP FROM WEB SOIL SURVEY .....	6
	APPENDIX B - LAND CAPABILITY CLASSIFICATION .....	9

**REVISED MARCH 30, 2009**

# **Statewide Market Analysis STATEMENT OF WORK (SOW)**

## **USDA Natural Resources Conservation Service**

### **1. SCOPE**

The Rhode Island office of the USDA Natural Resources Conservation Service (NRCS) is seeking a Statewide Market Analysis to determine land values for purchasing perpetual easement through the Wetland Reserve Program (WRP) and the Emergency Watershed Protection-Flood Plain Easement Program (EWP-FPEP). Through WRP, NRCS purchases wetlands that have been converted to agricultural use and restores the wetland function and values. NRCS has the authority to purchase the converted wetland and adjacent uplands that contribute to the function and values of the wetland and to enhance wildlife habitat value. Through the EWP-FPEP, NRCS has the authority to purchase flood plain easements that have been damaged from flooding at least twice in the last ten years or once in the last twelve months and restores the flood plain to improve flood retention and storage. NRCS has the authority to purchase the flood plain wetlands and adjacent uplands that will enhance the restoration or make purchase of the parcel more efficient.

An independent real estate professional, such as an agent, broker or licensed general appraiser and registered in the state of Rhode Island, shall complete a Statewide Market Analysis for the Natural Resources Conservation Service (NRCS). The independent real estate professional shall have at least five years experience and be knowledgeable of the dynamics of flood plain wetlands, uplands adjacent to floodplain wetland, and agricultural land sales in the State of Rhode Island in order to make required judgments based upon the data available. Documentation of credentials must be provided in a resume. The work shall consist of performing all computations and descriptions required by this statement of work.

### **2. QUALITY OF WORK AND EVALUATION FACTORS**

The Statewide Market Analysis shall be clear, accurate, complete, and meet the intent of NRCS to obtain an opinion of the fair market value of land.

The proposals will be evaluated and rated against these factors:

- Experience conducting market analyses - 40% (experience in conducting appraisals or market analyses for conservation easements or other similar properties for state, local, federal agencies.
- Delivery - 40% (ability to deliver products on schedule based on similar projects completed and demonstrated ability to manage workload via adequate qualified staffing)
- Cost effectiveness-- 20%

**REVISED MARCH 30, 2009**

# **Statewide Market Analysis**

## **STATEMENT OF WORK (SOW)**

### **3. SELECTING COMPARABLE PROPERTIES**

Important considerations in the selection of comparable properties include:

- a. Sales far above or far below the bulk of the group are suspect. There are likely valid reasons for the divergence.
- b. Justify comparable sales not used.
- c. Comparable sales should be drawn from throughout the region being analyzed.
- d. Use comparable sales that are not too old. Stay in as current a time frame as possible.
- e. Use similar property types as much as possible.
- f. Ensure comparable sales are actually Arms Length transaction.

### **4. ADJUSTING VALUE FOR PROPERTY DIFFERENCES**

- a. When comparing similar properties, there are always differences. Be sure to adjust comparable properties for differences and to use weighted averages, as needed, to adjust for amount of land that falls into each of the three specified categories under "Other Considerations".
- b. Add or subtract value for differences in size.
- c. Add or subtract value for feature differences such as improvements such as fences, ditches, water supply, etc.
- d. Add or subtract value for location differences including access
- e. Look at financing differences that could have influenced sale price. Seller financing can at times result in a higher price paid for a property that is not related to its true value

### **5. CONDUCT A CURRENT ANALYSIS OF THE COMPETITIVE MARKET**

- a. Active Listings. Active listings are properties currently for sale. These listings matter only to the extent that they indicate the competition for buyers. They are not indicative of market value. Because sellers can ask anything they want for their property, it doesn't mean the prices are realistic.
- b. Pending Listings. Pending Listings are formerly active listings that are now under contract but have not yet closed. Pending sales indicate the direction the market is moving.
- c. Sold Listings. These are the actual comparable actual sales. Sales data should be from October 2007 to the present.
- d. Off-Market/Withdrawn/Cancelled/Expired. These are properties that were taken off the market for a variety of reasons. The median price is almost always higher than the median price of comparable sales.

### **6. MARKET AREA**

The Market Area for Rhode Island is delineated on a statewide basis.

**REVISED MARCH 30, 2009**

## **Statewide Market Analysis**

### **STATEMENT OF WORK (SOW)**

#### **7. PRESENTATION OF ANALYSIS**

- a. Market Values for the state shall be displayed separately for each of these three categories:
  - 1.) Land for which the highest and best use has few limitations for either agricultural use or development. These lands will be uplands adjacent to flood plain wetlands or agricultural lands adjacent to any wetland type that will be purchase as part of an easement.
    - You may use the NRCS Web-based Web Soil Survey to determine soils that meet this requirement. See Appendix A for a primer on how to use the Web Soil Survey.
    - See Appendix B for a description of the soil-based NRCS Land Capability Classes. Land Capability Classes I and II have few restrictions; Land Capability Classes III and IV have moderate restrictions and Land Capability Classes of V or above have severe restrictions. Lands with few or moderate restrictions should be considered suitable for agriculture. In addition, soils may be used to broadly determine suitability for development based on limitations for building site development. Land with slight to moderate limitations should be considered suitable for development.
  - 2.) Land that is limited in development potential, such that the highest and best use is limited mostly to recreational or passive uses only, such as parcels located largely in the 100-year flood plain. Flood hazard can be determined by Town Flood Hazard Maps, NRCS soil descriptions or visual confirmation.
  - 3.) Other lands – For all other areas that do not meet either of the two criteria listed above. Any soil described as muck or peat should not be considered suitable for agricultural production or development.
- b. Additional items to consider:
  - 1.) Improvements: Do not include the value of improvements such as homes, sheds, barns, etc.
  - 2.) Existing easements: Do not use sales data from lands under existing easements as comparable sales.
  - 3.) Development pressure.
  - 4.) Rights retained by the landowner
    - i. Title: Record title, along with the Landowner's right to convey, transfer, and otherwise alienate title to these reserved rights.
    - ii. Quiet Enjoyment: The right of quiet enjoyment of the rights reserved on the easement area.
    - iii. Control of Access: The right to prevent trespass and control access by the general public subject to the operation of State and Federal law.

**REVISED MARCH 30, 2009**

## **Statewide Market Analysis**

### **STATEMENT OF WORK (SOW)**

- iv. Recreation Uses: The right to undeveloped and recreation uses, including hunting and fishing, and including leasing of such rights for economic gain, pursuant to applicable State and Federal regulations that may be in effect at the time.
- v. Subsurface Resources: The right to oil, gas, minerals, and geothermal resources underlying the easement area, provided that any drilling or mining activities are to be located outside the boundaries of the easement area.

#### **8. DELIVERABLES**

The final report and supporting documentation are the deliverables for this assignment. The report should be presented in a neat, easy-to-read format, free of grammatical and typographical errors. The supporting documentation should also be presented with sufficient narrative so that the analysis can be reviewed and critiqued.

#### **9. CONFLICT OF INTEREST**

An independent Real Estate professional will not analyze a property for a spouse, child(ren), partner(s), or business associate(s), nor have a financial interest in the property to be covered by the proposed easement.

#### **10. NON-DISCLOSURE**

Work performance required by this SOW will involve access to potentially sensitive information about governmental and landowner issues. All Contractor personnel must comply with the terms of AGAR 452.224-70, Confidentiality of Information, as well as provisions of the Privacy Act of 1974, 5 U.S.C 552a. Additionally, the Contractor's employees shall comply with privacy of personal information relating to Natural Resources Conservation Service programs in accordance with Section 1244 Title II of the Farm Security and Rural Investment Act of 2002 (P.L. 1078-171).

#### **11. CIVIL RIGHTS AND PROGRAM DELIVERY**

The Contractor will ensure that personnel prohibit discrimination in all aspects of programs and activities related to the Contract on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status.

#### **12. PERIOD OF PERFORMANCE**

The Contractor will complete the Statewide Market Analysis and provide 4 copies and an electronic copy (CD or other media) to the Rhode Island NRCS State Office, 60 Quaker Lane, Suite 46, Warwick, RI 02886-0181 by 4:30 p.m. on Thursday, May 7, 2009.

**REVISED MARCH 30, 2009**

**Statewide Market Analysis**  
**STATEMENT OF WORK (SOW)**

**13. FOR ADDITIONAL INFORMATION:**

- a. For administrative aspects of this project

Jackie Pashnik, Management Analyst  
60 Quaker Lane, Suite 46  
Warwick, RI 02886  
401-822-8829  
Jackie.Pashnik@ri.usda.gov

- b. For technical aspects of this project

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60 Quaker Lane, Suite 46  
Warwick, RI 02886  
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## APPENDIX A - GENERATING A SOIL MAP FROM WEB SOIL SURVEY

Log on to Web Soil Survey: <http://websoilsurvey.nrcs.usda.gov/app/>

Click the **Start WSS** button to open Web Soil Survey

### 1. Tab 1. Area of Interest (AOI)

- a. **Navigate by County** – choose Rhode Island as State and your county of interest in the drop-down menu
- b. Click **View** to get the county shown on the Area of Interest Interactive Map on right side of screen. A basic map of the county will appear, with major roads and water bodies shown.
- c. Use the **Zoom In** button to draw a box around the general part of the county you are interested in. You can repeat this step several times to get to the point where the property you are interested in appears in the map window. An aerial photo background will appear with the map. (Note: You can also try the **Navigate by Address** option.)
  - You may find the roads are not well placed on the imagery. This data comes from a source outside of NRCS and sometimes they do not fit on the imagery very well. Interstates are particularly poorly placed on the imagery, sometimes being off by miles! You can “turn off” road imagery and other Layers by clicking on the **Layers** tab at the side of the map. It will pop out. Scroll down to Transportation. Un-checking Roads will turn off that imagery. You can do the same for Water and Hydrography if desired, or any other Layer that’s checked. To close the Layers menu, click on the **X** button.
- d. To delineate your Area of Interest, click on one of the two **AOI** buttons on the map toolbar. The **AOI** button showing a box will delineate a rectangular area. The **AOI** button showing a multi-sided polygon will delineate an irregularly-shaped area – you must continue clicking at each corner and double-click at the point where you started to close the polygon.
- e. Once you have delineated your Area of Interest, the interactive map will zoom to show the area. On the left side of the screen, it will tell you the acreage of the area you have delineated.
- f. If you are not happy with the Area of Interest as shown, click the **Clear AOI** button and use the **AOI** buttons and draw tool to re-delineate it. Repeat as many times as needed. When you are satisfied with your Area of Interest, you’re ready to produce the Soil Map.

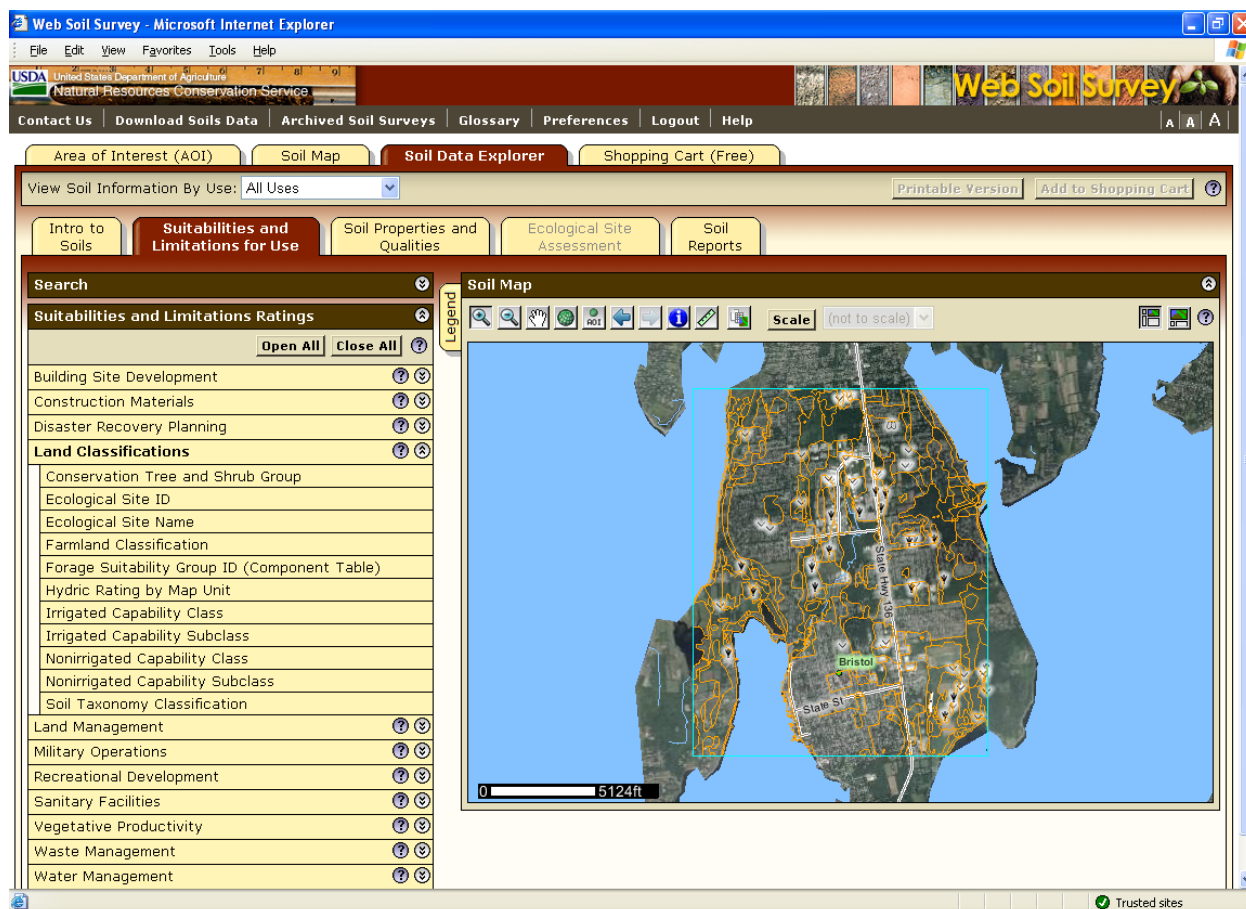
### 2. Tab 2. Soil Map

- a. Click on the **Soil Map** tab on top of the screen, in between the **Area of Interest (AOI)** tab and the **Soil Data Explorer** tab. This will generate the soil map for the Area of Interest you have delineated. The screen will now show the Soil Map on the right and the Map Unit Legend Summary on the left, with names of the soil map units and their acreage and percentage within the AOI.

- You can turn off the Road layer or other supporting cartographic information by clicking on the **Layer** tab on the side of the map and un-checking the Layers you want to turn off.
- b. At this point, you can print out a copy of the soil map, save it to your computer, or continue on to the Soil Data Explorer section, which is where you'll generate the report and map for Primary Agricultural Soils for your AOI.
- c. To print a copy of the soil map or to save it to your computer, hit the **Create Printable Document** button. A small window will open – if you wish to give your map a custom name, click the **Custom Subtitle** button and enter the name you wish. Then click the **View** button. This will generate a new view of the soil map as it will appear printed and display it on-screen. This image is an Adobe® pdf file. Using the toolbar, you can then print the map or save it to your computer. This map can also be emailed, but first has to be saved to your computer.
- d. This completes the Soil Map generation process. To generate various reports for your AOI, continue to the next section. (Generating a Land Capability Class report is used as an example, but a wide variety of reports are available.)

### 3. Tab 3. Soil Data Explorer

- a. Click on the Soil Data Explorer tab on top of the screen to the right of the Soil Map tab. Under Soil Data Explorer, you'll see a number of new tabs, each with a series of suitability and limitations ratings.



REVISED MARCH 30, 2009



- b. To generate a color-coded interpretative map and report of the Land Capability Classes within your AOI, click on the second tab, **Suitabilities and Limitations for Use**.
- c. Under that tab, click on the **Land Classifications** button and then choose **Non-irrigated Capability Class** from the drop-down menu.
- d. Under the Non-irrigated Capability Class View Options: Map, Table, and Description of Rating should be checked.
- e. Generate the map by clicking the **View Ratings** button.
- f. The new color-coded Land Capability Class map will appear on the right side of the screen, with the accompanying table shown below it. To get a quick view of what the different colors mean, click on the **Legend** tab on the left side of the map. This will open up the Legend page. The table below the map will show the capability class of each soil map unit within your AOI.
- g. To print a copy of the Land Capability Class map, legend, and table, click on the **Create Printable Document** button and repeat the process described to print or save the Soil Map.
- h. You can also generate a Land Capability Class report without the color-coded interpretative map for your AOI by clicking on the **Soil Reports** tab at the top.
- i. Under the Soil Reports choice list on the left side of the screen, select **Land Classifications** and then choose the **Land Capability Classification** report.
- j. Click on the **View Soil Report** button to generate the report.

**APPENDIX B - LAND CAPABILITY CLASSIFICATION**

Land capability classification shows, in a general way, the suitability of soils for most kinds of field crops. Crops that require special management are excluded. The soils are grouped according to their limitations for field crops, the risk of damage if they are used for crops, and the way they respond to management. The criteria used in grouping the soils do not include major and generally expensive land forming that would change slope, depth, or other characteristics of the soils, nor do they include possible but unlikely major reclamation projects. Capability classification is not a substitute for interpretations designed to show suitability and limitations of groups of soils for rangeland, for forestland, or for engineering purposes.

In the capability system, soils are generally grouped at three levels--capability class, subclass, and unit (USDA, 1961). Capability classes, the broadest groups, are designated by the numbers 1 through 8. The numbers indicate progressively greater limitations and narrower choices for practical use. The classes are defined as follows:

- Class 1 soils have slight limitations that restrict their use.
- Class 2 soils have moderate limitations that restrict the choice of plants or that require moderate conservation practices.
- Class 3 soils have severe limitations that restrict the choice of plants or that require special conservation practices, or both.
- Class 4 soils have very severe limitations that restrict the choice of plants or that require very careful management, or both.
- Class 5 soils are subject to little or no erosion but have other limitations, impractical to remove, that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.
- Class 6 soils have severe limitations that make them generally unsuitable for cultivation and that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.
- Class 7 soils have very severe limitations that make them unsuitable for cultivation and that restrict their use mainly to grazing, forestland, or wildlife habitat.
- Class 8 soils and miscellaneous areas have limitations that preclude commercial plant production and that restrict their use to recreational purposes, wildlife habitat, watershed, or esthetic purposes.

Capability subclasses are soil groups within one class. They are designated by adding a small letter, e, w, s, or c, to the class numeral, for example, 2e.

- The letter **e** shows that the main hazard is the risk of erosion unless close-growing plant cover is maintained;
- **w** shows that water in or on the soil interferes with plant growth or cultivation (in some soils the wetness can be partly corrected by artificial drainage);
- **s** shows that the soil is limited mainly because it is shallow, droughty, or stony; and
- **c** used in only some parts of the United States, shows that the chief limitation is climate that is very cold or very dry.

In class 1 there are no subclasses because the soils of this class have few limitations. Class 5 contains only the subclasses indicated by w, s, or c because the soils in class 5 are subject to little or no erosion. They have other limitations that restrict their use to pasture, rangeland, forestland, wildlife habitat, or recreation.